

**Senate Bill No. 1636**

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Passed the Senate May 4, 2006

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*Secretary of the Senate*

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Passed the Assembly June 26, 2006

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2006, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 3426.4 of the Civil Code, relating to trade secrets.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1636, Ackerman. Trade secrets.

Existing law, the Uniform Trade Secrets Act, provides that actual or threatened misappropriation of a trade secret, as defined, may be enjoined. The act authorizes the court to award reasonable attorney's fees to the prevailing party if a claim of misappropriation is made in bad faith, a motion to terminate an injunction is made or resisted in bad faith, or willful and malicious misappropriation exists.

This bill would authorize the court to also award costs to the prevailing party, including a reasonable sum to cover the services of expert witnesses, as specified.

*The people of the State of California do enact as follows:*

SECTION 1. Section 3426.4 of the Civil Code is amended to read:

3426.4. If a claim of misappropriation is made in bad faith, a motion to terminate an injunction is made or resisted in bad faith, or willful and malicious misappropriation exists, the court may award reasonable attorney's fees and costs to the prevailing party. Recoverable costs hereunder shall include a reasonable sum to cover the services of expert witnesses, who are not regular employees of any party, actually incurred and reasonably necessary in either, or both, preparation for trial or arbitration, or during trial or arbitration, of the case by the prevailing party.



Approved \_\_\_\_\_, 2006

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*Governor*